

4 August 1955

MEMORANDUM FOR THE RECORD

**SUBJECT: Remarks Made at the NSC Meeting on 4 August
Regarding Soviet Nuclear Shots**

1. Mr. Dulles read to the NSC a tentative public release regarding the recent Soviet nuclear shots. The President remarked that he thought the statement should be as short as possible and should not touch on the history of our knowledge of past Soviet explosions. The Secretary of State pointed out that past US statements on Soviet explosions may have touched on previous Soviet shots in order to impress the world that we were not alone in polluting the air with atomic dust. However, he felt that the mere mention of a "test series" in the announcement would get this across most effectively. The President agreed. The President added that he would be very noncommittal at his press conference today on this subject.

2. At this point, Colonel Goodpaster brought to the President a press ticker indicating that Bulganin had rejected the President's armaments inspection plan. The President then reiterated his statement made at last week's NSC meeting that in private conversations he told Bulganin that he would accept the Soviet proposals on armaments inspection if the Soviets would take his proposals in the same package. The President added that Bulganin had informed him that it would be easy in countries the size of Russia or the US to conceal armaments on the ground from air inspection. Bulganin added that four-engine bombers could be concealed easily on the ground. The President said he expressed surprise at this and asserted that if Bulganin knew how to do this, the President would certainly like to be informed. This retort abruptly ended the Eisenhower-Bulganin conversation on this topic.

3. The NSC decided that the timing on the US announcement regarding the recent Soviet atomic explosions would be most effective if it were timed to follow immediately upon Bulganin's public rejection of the President's inspection proposal.

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RVM

NSC BRIEFING

2 AUGUST 1955

CHINESE NATIONALIST MORALE

- I. Forced resignation of Gen. Sun Li-jen on 29 July as personal C/S to Gimo may be blow both to morale of Nat armed forces and to westernized Chinese still on Formosa.
 - A. This callous throat-cutting serves as example to army which could dangerously weaken Chiang regime, dependent on continued loyalty of troops.
- II. Seems possible that morale in armed forces may in fact be developing cracks, though little solid evidence of this yet.
 - A. Younger officers, including division commanders, appear most vulnerable, since they are most heavily indoctrinated with now near-bankrupt "back to mainland" ideology and chafing from inaction.
 - B. These young commanders also under harrassment by political officers, and faced with dead-end future on Formosa, which overpopulated with superannuated generals.
- III. Embassy has reported surprising fact that, according to Gimo, a group of young officers had planned mass protest at presidential review 6 June, to forcibly impress Gimo with need for army reform, demand removal of D/S Peng Meng-chi and his replacement with Gen. Sun.
 - A. Plan, if genuine, allegedly discovered and aborted by Chiang Ching-kuo's security men.

- B. Confession extracted by torture from plotters implicated Sun, who was forced to resign
- C. Sun is now awaiting arrest and fearful for his life.
- IV. As military matter, removal of Sun is not important, since he has held little real power in ChiNat army since 1948.
 - A. Series of meaningless sinecures he has held since then are no reflection on his competence (a VMI graduate, he commanded crack new First Army in Burma, where he impressed US observers as first-class commander).
 - B. Instead, is reflection of Gimo's deep suspicions of most such Western-oriented Chinese.
- V. Downfall of Sun appears mainly work of Chiang Ching-kuo, arch-conservative leader on Formosa.
 - A. In any case will be interpreted as victory for young Chiang, and thus will depress morale of westernized Chinese still on Formosa.
 - B. Sun is most recent member of this group to fall. Earlier casualty was ex-governor K. C. Wu who blasted Formosa "police state" from safety of US last year.
- VI. ChiNat morale in general under increased pressure in recent weeks as result of Summit conference and current Geneva "ambassadorial" talks.
 - A. Controlled press on Formosa has raised outcry against possible "new Yalta" as result current talks, speaks of approaching crisis "worst since 1949;" first day of talks called "black Monday."

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- B. Press clamor undoubtedly reflects ChiNat fears that talks may lead to "solution" in Formosa Straits which would once and for all put end to hopes for mainland return.
- C. Such a "solution" would be extremely damaging to morale in armed forces, also undercut prestige of Gimo.
- D. However, ChiNats are certainly aware of US concern over Formosa morale.
 - 1. Present press campaign could well be calculated ChiNat effort to play on US fears of Formosa collapse in event major agreement is reached with ChiComs.

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NSC BRIEFING

2 August 1955

MALAYA AND SINGAPORE

- I. In the UK's major Asiatic enclave (the "protected" Malay States and the Crown Colony of Singapore), popularly-elected leaders are demanding both greatly accelerated progress toward the admitted eventual British goal of self-government and an end to the seven-year state of "emergency" (imposed by the UK in the battle against Communist terrorism).
 - A. At present, despite limited concessions, the British still control the area's defenses, foreign affairs and finance, and UK High Commissioner (for Malaya) and Royal Governor (for Singapore) hold absolute veto over all other affairs.
 - B. Newly elected local leaders are not expected to attempt a forceable overthrow of British authority, but instead they depend on local political pressures to bring a speed-up of the UK time-table for self-rule.
 - C. However, this "gradualist" attitude of local leaders, particularly in Singapore, opens the door for continued agitation by "impatient" Communist-controlled labor and student groups (as in May and June 55 riots).
- II. Federation of Malaya's first national elections (27 July) resulted in landslide victory (51 of 52 seats at stake) for triple-party "Alliance" (representing Malay, Chinese, and Indian communities) which campaigned on platform of self-government, amnesty to Communists, and racial harmony.

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A. Having won election, Alliance leaders have already given indications they are shifting to more moderate stands than those taken in heat of campaign oratory.

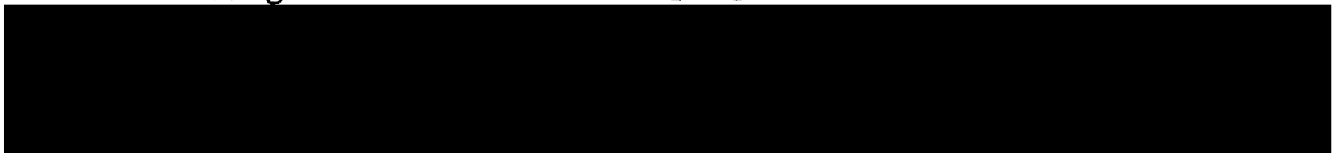
1. "Alliance" leader, Abdul Rahman (brother of Sultan of Perak), has proposed a special commission to study constitutional reforms necessary before taking definite action on self-government.
2. He is already demanding, however, that High Commissioner's veto power be abolished in two years and if possible in one year.
3. All political parties in Malaya have made 1960 the target-year for complete self-government.
4. UK authorities so far have mentioned no date.

III. On issue of ending "emergency", Rahman announced post-election that "Alliance" would not support offer of amnesty to Communists except at right time, and then only with advice of "experts" (i.e., UK authorities).

- A. As one such "expert", Rahman named UK "Director of Operations" (General Bourne).
- B. As part of political give-and-take between UK authorities and local leaders, British will let Rahman, as "Alliance" leader, announce liberalized surrender terms for terrorists in near future.

IV. In Singapore, Chief Minister David Marshall (elected Apr 55 under new constitution) threatened in late July to resign unless his demand for immediate self-government was met.

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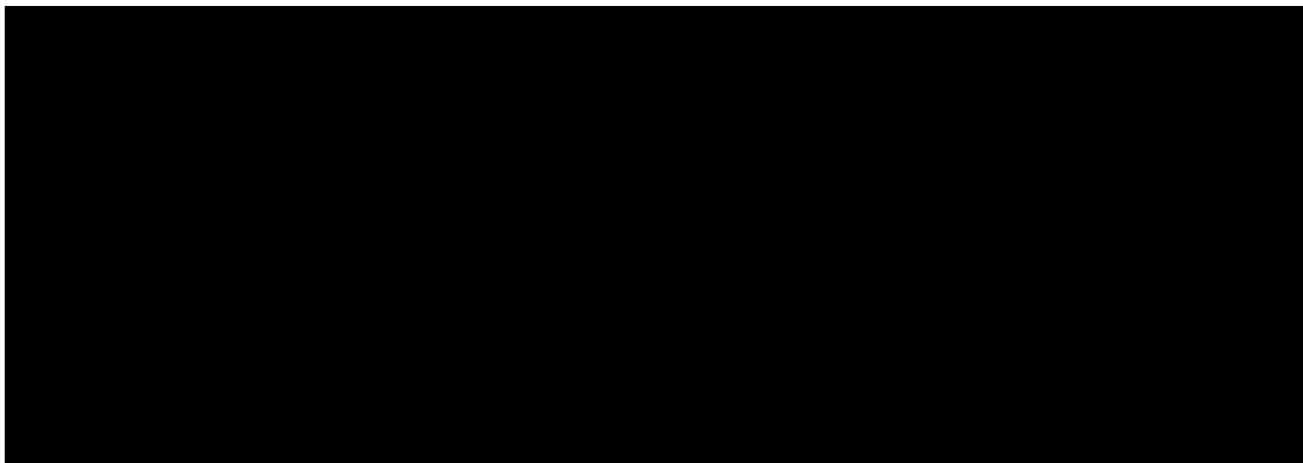
- A. However, arrival of UK Colonial Secretary (Lennox-Boyd) in Singapore on 30 July has brought moderate turn of events.
 - B. Following conversations, Marshall soft-pedaled resignation threat, said "solution to crisis appears to be in view."
 - C. Marshall (Singapore-born son of Iraqi Jewish family and famed criminal lawyer) has been under pressure from "Activist" Communist-manipulated opposition organization-- People's Action Party.
 - D. Apparently felt self-government demand necessary to preserve his own popular appeal.
 - E. UK authorities, in turn, want to prevent Marshall's resignation, since new elections could increase People's Action Party strength.
- V. Meanwhile, Communists are continuing "selective terrorism" campaign in Malaya, are being increasingly successful in infiltration and subversion both in Malaya and in Singapore.
- A. Special targets (and hence chief successes) are Chinese schools, labor unions, volunteer guard units and Chinese villages.
 - B. UK authorities view Communist bids for peaceful settlement (in June and July 55) as effort to regain status of legalized political party, thus accelerate already dangerous subversion campaign.
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C. US observers in area, however, have emphasized more pessimistic aspects of situation.

1. ConGen Singapore believes subversion further advanced in both Malaya and Singapore than British care to admit.
2. Foresees possibility of UK reversal on self-government, return to direct colonial rule.

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ISRAELI ELECTION SIGNIFICANCE

- I. Major surprise of Israeli parliamentary elections on 26 July was gains registered by extremists.
 - A. These gains were most striking on the far right, where Herut (Freedom) party has become Israel's second strongest (from 6 1/2% in '51 to 13.1% of popular vote this time).
 1. Herut is the descendant of wartime terrorists--Irgun and Stern gang; demands expansion of Israel's territory.
 - B. Big loser was General Zionist party--moderate middle class with many ties in US--with drop from 16% to 11%.
 - C. While extremists on left also made gains, these were not as great.
 1. Achdut Haavoda (Unity of Labor) polled 8 1/2%.
 2. Mapam (United Labor Party) polled 7%.
 3. In '51, they ran together and got total 12 1/2%.
 4. Communists neither gained nor lost--4% of vote.
- II. Mapai (Workers' Party), governing party since creation of Israel in 1948, also lost (drop of 5%) but is still largest party (with 32% of the popular vote).
 - A. Will form backbone of new coalition government.
 - B. Mapai leader, David Ben-Gurion, (who held both prime minister's and defense minister's portfolios 1948-1953) will presumably lead new government. However, chance exists that he may find problems too knotty, once more "return to desert".

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C. Ben-Gurion's problems in forming government increased both by fact that Mapai is now weaker than in last six years, and by weakness of General Zionists / (Mapai's principal partner in former coalitions).

III. Ben-Gurion, already noted as something of fire-eater on both domestic and foreign fronts, may see election results as call for more vigorous action ^{IN ORDER TO} ~~as means of~~ bolstering his party's popularity.

A. His appointment as defense minister last February was followed within two weeks by Israeli army raid on Gaza strip.

IV. Full significance of extremist gains is not yet assessable.

A. Gains may reflect "protest vote" against Mapai bureaucracy, long in power, rather than positive association of voters with advocates of violence.

B. However, for the immediate future, election results appear to spell a popular mood of increased toughness toward Israel's Arab neighbors and lessened response to Western moderating influences.

ISRAELI ELECTIONS BACKGROUND

- I. All 120 members of Israel's parliament (Knesset) are elected by universal suffrage. This year 80% of total electorate of over 1,000,000 voted.
- II. Voters vote for national party lists, not individual candidates from single constituencies, as in US. Seats in parliament are distributed according to the percentage of popular vote each list receives, but a party must get at least 1% to obtain a seat.
- III. Following shows percentage of popular vote received by parties with more than 1% this year (final unofficial returns):

RIGHT:	1955	1951
Herut (Freedom)	13.25	6.6
Agudat Religious Front (Corporation of Israel) (extreme orthodox, non-Zionist)	5.14	3.6
General Zionists	<u>10.91</u> 29.30	<u>16.2</u> 26.4
MODERATE LABOR & LEFT OF CENTER:		
Mizrachi Religious Front (Spiritual Center) (moderate orthodox Zionist)	9.51	8.3
Progressives	4.6	3.2
Mapai (Workers' Party)	<u>31.91</u> 46.02	<u>37.3</u> 48.8

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LEFT:	1955	1951
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Achdut Haavoda		
(Unity of Labor)	8.05)
)
Mapam (United Labor Party)	7.0)
Maki (Communist Party)	4.0	4.0
	<u>19.05</u>	<u>16.5</u>

ARABS:

Israel Arab Democrats	1.28	2.4
Progress and Work	1.39	1.2
	<u>2.67</u>	<u>3.6</u>

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NSC BRIEFING

2 AUGUST 1955

THE OUTLOOK FOR THE SUDAN

- I. Vast and underdeveloped Sudan (area: 1 million sq. mi.; pop: 8 million) is approaching time when, under terms Anglo-Egyptian agreement 1953, it will choose between full independence and some form of union with Egypt.
 - A. Nasr regime politically committed to achieving union of two countries.
 - B. Faced with overwhelming Sudanese sentiment for complete independence, Cairo has stepped up activities to influence Sudanese.
 - C. Showdown with Khartoum government likely at next parliamentary session (scheduled 16 Aug '55).
- II. Election of first Sudanese self-governing parliament (late 1953) resulted in decisive victory for pro-Egyptian National Unionist Party (NUP).
 - A. Party president Ismail Azhari was elected prime minister of a government which openly favored close union with Egypt.
 - B. NUP (coalition of Egyptian-financed Sudanese politicians) depends on Moslem Khatmia religious sect for its popular support and Prime Minister Azhari has to maintain careful balance between sect and unionist politicians.

III. However, 1954 saw steady growth Sudanese pro-independence sentiment as Egypt's intent to dominate Sudan became apparent.

A. Cairo overplayed policy of buying influence. Mistakes included:

1. Lavish subsidies to pro-unionist politicians and local leaders.
2. Blatant interference in Sudanese affairs--Egyptian member of Governor General's Commission (interim advisory body) openly using position to direct local politicians.

B. Sudanese nationalists, although willing to ally with Egypt in order to rid selves of British, became increasingly unwilling to see Cairo take UK's place.

1. Conflict between pro-independence members of Khatmia and Egyptian-financed politicians with ^(N)NUP climaxed by December 1954 cabinet crisis, resignation three influential Khatmia ministers.

C. Effectiveness of independence movement presently limited by bitter rivalry between Khatmia and rival Ansar sect (headed by Sayyid Abdul Rahman al Mahdi - posthumous son of the Mahdi of Khartoum).

1. Sayyid Ali Mirghani, leader of Khatmia, is unwilling to join forces with traditional anti-Egyptian and pro-independence members of Ansar.

2. Recent reports from Khartoum, however, indicate agreement between two on cooperation for independence may be imminent.

IV. Faced with overwhelming popular sentiment favoring independence, Prime Minister Azhari has hedged his position on union.

- A. In April 55, NUP executive committee announced decision in favor "independence and full sovereignty" for Sudan.
- B. NUP also called for extraordinary session of parliament in August, to pass required resolution calling for election of constituent assembly (which will then vote on issue of full independence or union with Egypt).

V. Since Azhari's April action, Cairo has engaged in intensive campaign to bring about fall of his government.

- A. Substantial Egyptian subsidies to his opponents within NUP - particularly party vice president Muhammad Nur al Din - reported.
- B. Also reports of widespread use bribes, increased Egyptian activities among primitive tribesmen of south, aimed at inciting traditional southern hatred and suspicion of Moslem north.
 1. Eleven southern deputies, formerly supporters of independence, recently adopted strongly pro-Egyptian position.
- C. Cairo radio has lately doubled broadcasts to Sudan, made vigorous attacks on Azhari's independence position.

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D. Egyptian propaganda suggests US, as well as UK, is behind swing of Sudanese toward full independence.

VI. Cairo's interest in achieving union with Sudan is primarily political in motivation. Success might temporarily bolster Nasr regime, but it is unlikely that union, in longer term, would materially aid stability of Nasr regime.

A. Egypt lacks both capabilities and enthusiasm for arduous task of developing viable government and economy in Sudan.

B. Egyptian domination opposed by majority Sudanese and likely to result chronic civil disorders.

C. Egypt and Sudan economically competitive. Both area's long-staple cotton compete on world market.

D. Sharing of Nile waters is even now cause of serious disagreement.

VII. Communist problem--considerable potential in Sudan--likely to be worsened by popular dissatisfaction in event Egyptian domination.

A. Communists in Sudan relatively better organized than in other Arab states. Have foothold in trade unions, among tenant farmers, student groups, and teachers.

1. Control important Sudan Railway Workers' Union (some 20,000 members).

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VIII. [REDACTED]

Azhari and Nasr unable reach political compromise during late July talks in Cairo.

- A. Azhari, on return Khartoum 1 Aug, has called for early action in favor independence.
- B. Future of Azhari government may depend on coalition including rival Khatmia and Ansar sects in broad pro-independence front.
 - 1. Such coalition could assure continuation independence drive--but deep-seated antagonism and rivalry may prevent cooperation.
- C. In any event, we can expect continuing Egyptian intrigue as Sudan takes final steps towards "self-determination."

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NSC BRIEFING

2 August 1955

BACKGROUND

THE OUTLOOK FOR THE SUDAN

Historical Developments

- I. Sudan first conquered by Muhammad Ali, founder modern Egypt, in 1821 in search gold and slaves. Exploitation and maladministration precipitated revolt by religious fanatic proclaimed himself the Mahdi - or awaited religious leader. Madhi's forces defeated "Chinese" Gordon at Khartoum in 1885 and most of Sudan subject to his control for next 13 years.
- II. Sudan reconquered 1898 by Anglo-Egyptian force under General Kitchener. Proclaimed a condominium under joint British and Egyptian sovereignty in 1899. From then until inauguration Sudanese self-government in January 1954, Britain dominated Sudanese administration but appearance joint sovereignty maintained. Country run as paternalist estate by British Sudanese Political Service renowned for high calibre of its officials drawn from best of Oxford and Cambridge - "A country of Blacks run by Blues".
- III. Union of Egypt with Sudan a popular nationalist cry in Cairo for past 30 years. In October 1951 nationalist Wafd-dominated Egyptian parliament "abrogated" in 1899 Sudan Condominium Agreement and amended Egyptian constitution to provide for unity of Sudan under Egyptian crown.

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IV. Action never recognized by Britain or Sudanese. In February 1953 negotiation with Nasr regime resulted in Anglo-Egyptian agreement for Sudanese self-government and eventual self determination. Terms of agreement signed 12 February 1953 provide for:

- A. A five-man commission (composed of 2 Sudanese, 1 Britisher, 1 Egyptian, and a Pakistani chairman) to advise governor general of Sudan, traditionally a British official. Governor general retains certain "reserve powers" for internal security and responsible to Britain and Egypt for foreign affairs.
- B. Agreement called for election 97-seat house of representatives and 30 members of 50-member senate. Remaining 20 members appointed by governor general. Parliament elected in December 1953 following month-long elections gave Egyptian-sponsored National Unionist Party (NUP) decisive victory.
- C. Inauguration of Sudanese parliament - held 9 January 1954 - to begin "transitional period" of self-government not to exceed three years. "Transitional period" to be ended when Sudanese parliament passes resolution calling for "self-determination". (Extraordinary session of parliament scheduled for mid-August expected to pass resolution). Elections will then be held for Constituent Assembly which will decide future of Sudan - full independence or form of union with Egypt - and will draft constitution for Sudan.

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- D. All British and Egyptian military forces - each maintain one infantry battalion at Khartoum - to be withdrawn within three months of resolution for "self-determination".
- E. British and Egyptians currently negotiating on arrangements for supervision election Constituent Assembly and final steps to self-determination. On 29 July, Salah Salim, Egyptian minister of national guidance and Sudanese affairs, reportedly suggested to Britain that USSR and Ukraine be members of supervisory commission with Indian chairman. Suggestion tactical move to counter British insistence that neither Britain, Egypt or Sudan be represented on commission. Since Britain agreement required, suggestion has little positive effect.

The Country:

- IV. Sudan - vast underdeveloped area of some 1,000,000 square miles and estimated population of over 8,000,000 -- sharply divided culturally, ethnically, and geographically along approximately 12th parallel.
 - A. Population: Some 5,000,000 Arabic-speaking Moslems in north. Tropical south - with over 32 mutually unintelligible languages - inhabited by 3,000,000 largely pagan primitive tribes. Of total population only some 2,000 (including 16 women) hold high school diplomas.

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B. Economy: No strategically important natural resources but generally self-sufficient in food. Inadequate transportation system - most areas without all-weather transportation communications - shortage trained personnel and lack capital have restricted economic development. British administration conservative fiscal policy and Sudan enters self-government relatively debt-free and strong financial position. One crop economy, cotton, accounts for 70 to 80% exports and approximately 60% government's revenues.

Politics:

V. Organized political activity in Sudan based on two Islamic religious sects - the Ansar and the Khatmia.

- A. Ansar: Headed by Sayyid Abdul Rahman al Mahdi (SAR) - posthumous son of Mahdi - who commands absolute obedience some 1,400,000 followers largely among tribesmen of central and northwestern Sudan. He controls pro-independence UMMA Party which ineffect political counterpart of sect. In past SAR closely identified with British interests.
- B. Khatmia: Leader Sayyid Ali Mirghani (SAM). Sects 1,500,000 strength concentrated in north and northeast largely among urban merchants and tradesmen. SAM lacks personal authority over his followers which SAR enjoys. A life-long opponent of SAR, Mirghani has in past tended to align himself with Egypt in effort to counter British support for his rival. Khatmia support for NUP in 1953 elections responsible for its victory.

C. National Unionist Party (NUP): Formed in Cairo 31 October 1952 by merger of five Sudanese pro-union political parties. President: Ismail Azhari became first prime minister; Vice president: Muhammad Nur al Din - leader of extreme pro-unionist wing in party.

1. Party heavily financed by Egyptian funds.
2. Original aim - to achieve union with Egypt.
3. Part won 54 out of 97 seats in house of representatives in 1953 elections.
4. In April 1955 as result overwhelming popular sentiment for independence, part executive committee announced decision to support "independence and full sovereignty".

D. UMMA Party: Political wing of Ansar sect. Violently anti-Egyptian and pro-independence. President: Saddik al Mahdi - son of SAR.

1. Won 23 seats in house of representatives.

Personalities:

A. Sayyid Abdul Rahman al Mahdi (SAR): Eighty-year old posthumous son of the Mahdi of Khartoum. After British re-occupation Sudan in 1898 all other sons of the Mahdi executed. Abdul Rahman spared because of his youth. Held in great reverence by some 1,400,000 members of the Ansar sect. Has enjoyed British support since pro-Egyptian uprisings in Sudan in 1924 when SAR opposed union with Egypt. Has been leading exponent of Sudanese independence. Power behind the Umma Party which nominally headed by his son-Saddik al Mahdi.

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- B. Sayyid Ali Mirghani (SAM): Leader of 1,500,000 followers of orthodox Khatmia sect and considered to hold key to Sudan's future. Mirghani, small devious man, likes to emphasize he is religious not political leader but wields considerable political influence. Salah Salim, Egyptian minister of Sudanese affairs has boasted that Egypt "owns" Mirghani, but Mirghani believed to be sufficiently agile to straddle issue of independence vs. union until outcome is clear and then take winning side. At present he is particularly non-committal. Bitter life-long opponent of SAR and the less orthodox Ansar sect. Personal antagonism may prevent cooperation of two leaders for independence.
- C. Ismail Azhari: Prime minister and president of National Unionist Party (NUP). Fifty-three year-old graduate of American University Beirut former teacher. Discharged for political activities. Became leading figure in pro-Egyptian unionist groups and headed unionist party. Believed to be heavily supported by Egyptian funds. Became president of NUP when formed in Cairo in 1952 as coalition of pro-unionist Sudanese parties. A keen politician - Azhari realized political climate in Sudan in favor of independence and began modifying his stand on union with Egypt. In April 1955 NUP declared itself for "independence". Has maintained this position in face of mounting Egyptian attack. Azhari apparently intent on remaining in power.

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NSC BRIEFING

2 August 1955

BACKGROUND--MALAYA AND SINGAPORE

- I. British expect more difficulty in Singapore than in Malaya both in guiding new government toward self-government and in countering Communist subversion.
 - A. Even in Malaya, however, High Commissioner has warned that once an elected government is in power, Communists probably would increase subversive efforts.
- II. Communist-inspired riots in Singapore since April elections apparently have given British second thoughts, particularly along military lines, about granting semi-independence.
 - A. They are determined to pursue the experiment, however, as far as possible.
 - B. British authorities are moderately confident of their ability to shepherd Singapore's Chief Minister Marshall through a series of difficult decisions and actions.
 1. They appear to recognize that Marshall must be free to criticize British and attack "colonialism."
 2. Outlook is for slow progress, some fumbling, and series of crises.

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III. British long-term objective in area is development of independent federation of British territories in Southeast Asia which would remain within Commonwealth.

- A. This would first involve merger of Malaya and Singapore in next five-years--under government autonomous except for finance, defense, and foreign affairs.
- B. Final step would be to draw North Borneo, Sarawak, and Brunei into federation at unspecified DATE

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SUDAN - EGYPT ECONOMIES

I. SUDAN - 75% of export is cotton (long staple)

\$80 million annually.

Other exports - gum arabic for gum
drops (1954 - \$10 million exported) .

II. EGYPT - 75% exports ■ cotton - \$300 million

annually, nothing else of significance.

MORALE ON FORMOSA

- I. ChiNat morale, in general, has been under increased pressure in recent weeks as result both of Summit conference and of current "ambassadorial" talks at Geneva.
- A. Controlled press on Formosa warns of possible "new Yalta," speaks of approaching crisis "worst since 1949." First day of talks called "black Monday."
- B. Press clamor undoubtedly reflects high-level ChiNat fears that "ambassadorial" talks could lead to "solution" in Formosa Straits which would end ChiNat hopes for mainland return.
- II. Such ChiNat fears regarding morale on Formosa ^(MAY) have some foundation.

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A. [REDACTED]

many high-ranking ChiNat generals have built up private fortunes, and have had

B. This group has reportedly given up hopes for mainland return, and has had enough of Formosa. ~~This~~ High THEFORE SAID brass now ready to bail out.

C. Chiang Kai-shek would almost certainly be aware of such attitude among high-ranking generals. Ubiquitous security organization of son Chiang Ching-kuo keeps him well informed.

III. This may throw current case of General Sun ~~From Commander of Ground Force~~ Li-jen into new focus--possible that whole episode is move by Gimo to stiffen morale at highest military levels.

A. Sun would be particularly useful victim, as his destruction would demonstrate that Americans are powerless to help their friends on Formosa.

B. Growing indications that Nats will make Sun case a cause célèbre.

1. Madame Chiang has called it "very serious business," on par with Sian incident (1936--when Gimo kidnapped by ex-Manchurian "Young Marshal" Chang Hsueh-liang).
2. Defense Ministry, in effort which Embassy calls "strained," has charged that 26 July defection of three junior officers (one a G-2 photo-interpreter) and one enlisted man from Matsu is part of "Sun Li-jen plot."

IV. Sun case has been developing since early June, although Gimo did not close in on his former personal C of S until 29 July, when Sun's "resignation" under charges of sedition announced.

A. Earlier, Gimo had told American officials of alleged "plot" by young army officers who planned mass protest at

presidential review ^{view} (6 June).

B. Protest supposedly designed to impress Gimo with need for army reform, to demand removal of C of S Peng Meng-chi and his replacement by Gen. Sun.

C. "Plot" allegedly discovered and aborted by Chiang Ching-kuo security men. Sun says they later extracted confessions from supposed plotters by torture, implicating him.

D. Sun has told Embassy he now awaiting arrest and fearful for his life.

V. Whether or not Sun "plot" is Gimo plan to stiffen resolve of top military commanders, public destruction of this able officer may backfire badly.

A. Can open wide fissures in morale of junior and middle-level commanders in ChiNat armed forces, which already under stress.

- B. Younger officers (including division commanders) heavily indoctrinated with "back to mainland" ideology, have been chafing from inaction. If stuck on Formosa, these officers face dead-end future, since island is already overpopulated with superannuated generals.
- C. Such commanders also under harrassment by political officers, who controlled by Chiang Ching-kuo.
- D. Forced resignation of Sun might appear to younger commanders as example of callous throat-cutting possibly in store for other patriotic and outspoken officers.
- E. Whatever effect may be within army, Sun's ouster will be interpreted as victory for young Chiang, depress morale of westernized Chinese still on Formosa.

1. Earlier casualty in this group was ex-governor K. C. Wu, who blasted Formosa "police state" from safety of US last year.

OUTLOOK IN SUDAN

- I. Vast, underdeveloped former Anglo-Egyptian "condominium" (8 million inhabitants, 1 million sq. mi.) now approaching time when population--divided both in race and religion--will make choice between full independence or some form of union with Egypt.
- A. Showdown likely at special parliamentary session called for 16 Aug, although decision could be postponed until Jan 1957.
- B. Only year ago, all odds favored union with Egypt, but now issue very much in doubt.
- II. Under Jan 54 grant of self-government to Sudan, local cabinet and parliament (elected autumn 53) became fully responsible for internal affairs.

*Aug 6 -
Fried of
3 year transition*

97 House 50 Senate

- A. British Governor General (nominally responsible to Condominium pair) remained "supreme constitutional authority" for "transitional period" (to end no later than Jan 57).
- B. During "transition", GovGen retains emergency powers in case breakdown internal security, also holds exclusive responsibility for foreign affairs.
- C. Actually, GovGen has made job largely ceremonial.

III. This in line with UK policy for area. In past 18 months, British administration has been "Sudanized."

- A. Former ~~UK~~ UK provincial governors, political service staff, police and army replaced by Sudanese.
- B. Only handful British now remain, all in non-policy positions (i.e. second echelon medical, education posts).

IV. In 53 elections (Sudan's first), pro-Egypt

National Unionist Party (NUP) won decisive victory, and Party president (Ismail Azhari) became prime minister of government committed to eventual close union with Egypt.

A. NUP draws popular strength from Khatmia religious sect (one of two such Moslem groups in northern Sudan, each with some 1½ million followers).

B. Rival sect is anti-Egyptian, pro-independence Ansar (headed by Sayyid Abdul Rahman al Mahdi - aged posthumous son of the Mahdi of Khartoum).

V. Despite good start as result Azhari victory, Egyptians overplayed hand. Mistakes included:

A. Lavish subsidies to pro-unionist politicians, local leaders.

B. Blatant interference in Sudanese af-

fairs--Egyptian member of GovGen's

Commission (interim advisory body) openly used position to direct local politicians.

VI. Sudanese nationalists became increasingly

alarmed by Cairo's evident intention usurp
UK's former place.

- A. Conflict between pro-independence
Khatmia members and Egyptian-bought
NUP politicians came to climax in
Dec 54 cabinet crisis, resignation
three influential Khatmia ministers.
- B. Now, despite two sects' bitter re-
ligious rivalry (Khatmia followers
view Ansars as heretics), reports from
Khartoum indicate that agreement be-
tween two on united front may be
imminent.

VII. Meanwhile, Prime Minister Azhari (whom
Cairo thought safely in pocket) has
switched position in face overwhelming
pro-independence sentiment.

- A. In April 55, NUP executive committee
declared in favor "independence, full
sovereignty."

B. Also summoned special Aug session

parliament, to set machinery in motion
for election of constituent assembly
(body which will take vote on inde-
pendence issue).

C. Whole procedure will probably take at
least until Apr 56, possibly until Sep.

VIII. Egyptians now busy trying use interim
period to regain lost ground. Main target:
overthrow Azhari regime.

A. Egyptians paying substantial subsidies
to his opponents within NUP - particu-
larly party vice president Muhammad
Nur al Din.

B. Also widespread bribing, increased
activities among south Sudan's primi-
tive non-Moslem negros (tot: 3 million)
in hopes inflaming traditional southern
hatred, suspicion of Moslem north.

1. Eleven southern deputies, formerly
pro-independence, recently switched

- ~~SECRET~~
- C. Cairo radio has lately doubled broadcasts to Sudan, making vigorous attacks Azhari.
- D. Egyptian propaganda suggesting US, as well as UK, behind switch of Sudanese in favor full independence.

IX. Ability of Azhari government to withstand Egyptian pressure seems to depend on achievement of coalition between rival northern sects.

- A. Such coalition would assure continuation of independence drive--but deep-seated religious antagonism may prevent it.
- B. In any event, we can expect continuing Egyptian intrigue during coming months, as Sudan takes final steps towards "self-determination."

ISRAELI ELECTION SIGNIFICANCE

- I. Major development in 26 July parliamentary elections was approx 10% gain for extremists at expense of center.
 - A. Gain most striking on far right, where Herut (Freedom) party has doubled strength, become Israel's number 2 political force (6½% in '51: 13.1% of popular vote now).
 1. Herut is descendant of wartime terrorists--Irgun and Stern gang; demands expansion Israel's territory.
 - B. Extremists on left also made gains, but these gains split three ways.
 1. Achdut Haavoda (Unity of Labor)--8½%.
 2. Mapam (United Labor Party)--7%.
 3. In '51, running together, got total

4. Communists ~~neither gained nor~~ ^{MADE SLIGHT}

(FROM ~~lost~~ 14% of vote ⁹ to 5%)*

C. Big loser was General Zionist party--
moderate middle class with many ties
in US (dropped from 16% to 11%).

II. Mapai (Workers' Party), governing party
since 48, still stayed on top, but dropped
5% to total 32% of popular vote.

A. Mapai, as top party, will form back-
bone of new coalition government.

B. Party leader, David Ben-Gurion (who
held both prime minister's and defense
minister's portfolios 1948-1953), will
presumably lead new government. How-
ever, chance exists that he may find
problems of forming coalition too
knotty, once more "return to desert."

C. Ben-Gurion's problems increased both
by fact that Mapai now weaker than in
last six years and by losses suffered
by General Zionists (Mapai's principal

III. Ben-Gurion, already noted as something of

fire-eater on both domestic and foreign fronts, may see election trends as call for more "vigorous" action, in hopes of bolstering Mapai popularity.

A. His appointment as defense minister last February was followed within two weeks by Israeli army raid on Gaza strip.

IV. Full significance of extremist gain not yet assessable.

A. May reflect "protest vote" against Mapai bureaucracy, long in power, rather than positive voters' support for advocates of violence.

B. However, for immediate future, Israeli leaders may view trend as popular pressure for increased toughness toward Arab neighbors.

C. Even so, we still consider it unlikely that Israel will deliberately resort to war. Instead, we consider it more likely that, so long as the US and its allies demonstrate continuing interest in Israel's survival and in prevention of a "second round" of hostilities, moderate influences will continue to act as brake on popular pressures for preventive war.

BACKGROUND: ISRAELI ELECTION STATISTICS

- I. 120 members of parliament (Knesset) are elected by universal suffrage. Of total electorate (1 million plus), 80% voted this year.
 - A. Voters chose among various national party lists, rather than among individual candidates from single constituencies.
 - B. Seats in parliament are allotted according to percentage of popular vote received by each list.
 - C. Unless a party gets at least 1% of popular vote, no seat is given.
- II. A total of ~~NINETEEN~~ party lists were presented to the electorate. ~~Eleven~~ ^{TWELVE} received more than 1% ~~of the vote~~ of the vote, according to final unofficial returns, as follows:

NSC BRIEFING

3 AUGUST 1955

Approved For Release 2000/05/23 : CIA-RDP80R01443R000400090002-8
PARTY SEATING (PRE-ELECTION AND POST-ELECTION)

<u>RIGHT</u>	<u>SEATS</u>	
	<u>PRE-ELECTION</u>	<u>POST-ELE.</u>
Herut	8	15
Agudat	5	6
General Zionists	20	13
2 Minor parties	3	-
<u>LEFT OF CENTER</u>		
Mizrachi	10	11
Progressive	4	5
Mapai	47	40
<u>ARABS</u> (three parties)	5	5
<u>LEFT</u>		
Achdut Haavoda	4	10
Mapam	7	9
Maki (Communists)	<u>7</u>	<u>6</u>
TOTAL:	120	120

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A. RIGHT: 1955 1951

1. Herut (Freedom):

Extremist. 13.25 6.6

2. Agudat (Corporation of Israel)

Religious Front:

extreme orthodox. 5.14 3.6

3. General Zionists. 10.91 16.2

TOTAL: 29.30 26.4

B. MODERATE LABOR & LEFT OF CENTER:

1. Mizrachi (Spirit-

ual Center) Re-

ligious Front:

moderate orthodox. 9.51 8.3

2. Progressives 4.6 3.2

3. Mapai (Workers'

Party) 31.91 37.3

TOTAL: 46.02 48.8

C. LEFT:	1955	1951
1. Achdut Haavoda		
(Unity of Labor).	8.05)
2. Mapam (United) 12.5
Labor Party).	7.0)
3. Maki (Communist		
Party).	<u>5.0</u>	<u>4.0</u>
TOTAL:	<u>20.05</u>	16.5

D. ARABS:

1. Israel Arab		
Democrats	1.28	2.4
2. Progress and Work	<u>1.39</u>	<u>1.2</u>
3. DATA NOT YET AVAILABLE:		
TENTATIVE TOTAL:	2.67	3.6

BACKGROUND: GOVERNMENT FORCES IN
MALAYA AND SINGAPORE

- I. Security forces in Federation of Malaya
total 36,500 Army, 250,000 Police and
Home Guards.
 - A. Army:
 - 13,000 British troops,
 - 10,000 Gurkhas,
 - 13,500 Malay and colonial troops.
 - B. Police:
 - 50,000 (British-officered, mostly Malay
with scattering of Indians and Chinese)
 - C. Home Guards:
 - 200,000 (volunteer local village
guards--mostly Malay, some Indian and
Chinese; most armed with shotguns. Home
Guards are priority Communist target
for infiltration).

II. Security forces in Singapore total 17,500

Army, Police and Auxiliaries.

A. Army:

5,000 British troops,
3,500 Malay,
4,000 other (with exception of one
artillery regiment, all Army troops
are assigned to headquarters and
supply units).

B. Other:

5,000 Police and Special Constables
(no breakdown available).